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THE WEEKLY OF BUSINESS AVIATION

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Vol. 36 No. 21 May 23, 1983 Page 161

INSIDE

NTSB Cites ATC Problems ..... Page 162
CL-600 Warranty Meeting Set ..... Page 163
GA Fatalities Down in 1982 ..... Page 164
Business Aviation Briefs ..... Page 165
Marketplace ..... Page 168

KEARNS RESIGNS TOP CANADAIR POSTS; ADDITIONAL GOVERNMENT AID SOUGHT

Frederick R. Kearns, who has served as president and chief executive officer of Canadair Ltd. since 1965, last week won the approval of the board of directors to take early retirement effective June 10. Kearns, 59, joined the company in 1949 and held a number of posts before assuming the presidency 18 years ago.

Kearns' resignation comes in the wake of increasing criticism in the press and Parliament about the management of the financially troubled manufacturer. Since it purchased Canadair from General Dynamics Corp. in 1974, the government has been forced to provide substantial financial support to the company. The government provided $200 million last year and last Wednesday asked Parliament for another $240 million necessary to carry Canadair through until next spring. That is in addition to some $1.35 billion in government-guaranteed loans the company has received.

Canadair has delivered 76 CL600s and two CL601s to date, but officials refused last week to discuss the number of orders the company has for the two models. A spokesman said officials "have been examining the whole order book" and have identified "a number of soft order positions." Canadair is scheduling negotiations with holders of those positions to determine if the aircraft will be taken on schedule, if the schedule will have to be extended or if it will have to be re-sold to another buyer. The company is expected to discuss the order situation early next month when it appears before Parliament's Public Accounts Committee to testify on the government's request for additional financial aid. The spokesman said Canadair expects to produce about 20 601s and 10 600s in 1983, with production currently at a rate of 2.5 units per month.

The original gross weight estimates for the CL600 had been exceeded by several thousand pounds when the aircraft went into service, resulting in an aircraft that could not meet originally promised performance guarantees. That, coupled with a number of engine problems and other operational difficulties *(see related story on Page 163)*, has led to criticism about Canadair's management and the government's heavy financial investment in the company.

ALL-COMPOSITE BUSINESS TURBOPROP TO DEBUT AT PARIS AIR SHOW

Avtek Corp., Camarillo, Calif., will announce development of its new Avtek 400 six- to nine-passenger twin turboprop made of DuPont's Kevlar and Nomex composite fibers at this week's Paris Air Show. Company said the all-composite business turboprop will reach top speeds of 350-370 knots at an initial climb rate of 5,400 feet per minute, reaching 10,000 feet in one minute and 50 seconds. Takeoff distance is estimated at 1,250 feet and cruise range with six people aboard is projected at over 2,200 nautical miles. At economy cruise, the aircraft reportedly will get 13.1 miles per gallon.

Aircraft will be powered by two Pratt & Whitney PT6A-28 engines turning Hartzell pusher-propellers. A large canard mounted forward of the main wing will "reduce induced drag by 20 percent over standard designs," the company said *(see artist's conception of the aircraft on the back of Page 162)*.

Airframe of the aircraft will be composed of a "honeycomb" of Nomex sandwiched between outer and

(Continued on the following page)

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AVIATION FATALITIES UP DUE TO INCREASE IN LARGE AIRCRAFT ACCIDENTS – National Transportation Safety Board said total aviation related fatalities rose in 1982, despite decreases in commuter, air taxi and general aviation operations. NTSB reported 1,487 fatalities in aviation last year, up 4.7 percent from the 1,420 reported in 1981. Fatalities involving large airlines soared from four in 1981 to 235 last year, largely as the result of two major accidents: the Air Florida 737 in Washington, D.C. on Jan. 11 that killed 78; and, the Pan Am 727 in Kenner, La. that killed 153 on July 9.

Fatalities resulting from commuter airline operations dropped sharply, from 36 in 1981 to 13 last year. Air taxi fatalities were down from 92 to 75. General aviation fatalities were down 9.6 percent to 1,164, compared to 1,288 in 1981 *(see charts on the back of this page and Page 165).*

Total transportation deaths fell 10.2 percent last year, largely due to the decline in highway accidents. NTSB reported 48,040 transportation deaths in 1982, compared to 53,502 in 1981.

AIRPORTS MUST EXAMINE ANTITRUST IMPACT OF SPACE ALLOCATION – Airports run by states and municipalities cannot assume the manner in which they allocate space will be immune from antitrust action and concern about antitrust liability "may significantly hamper the activities of city and state agencies," according to Christopher Hart of Hart, Carroll & Chavers. Participating in a session of the recent Federal Bar Association midyear meeting, Hart said recent court cases, especially the 1978 Supreme Court decision in the case of Lafayette vs. Louisiana Power & Light Co., have "drastically" altered the antitrust situation for airports.

Hart said the evolution of cases with bearing on the antitrust immunity airports may enjoy is inconsistent and a definitive set of precedents has yet to emerge. Nevertheless, the Lafayette case "established generally that cities are not entitled to as much antitrust deference as states," Hart said. Previously, it had been generally accepted that states enjoyed antitrust immunity for activities directed by their legislatures–"state action immunity"–but even that concept has been undermined. Goldfarb vs. the Virginia State Bar found that action must be "compelled" by the state government before immunity from antitrust action can be expected, he said.

Questions over how much immunity a publicly owned airport enjoys in its allocation of everything from gate space to how many rental car companies can operate at the facility are especially troublesome because Section 4 of the Clayton Act calls for treble damages, Hart said. That is, any award made to a plaintiff winning an antitrust case against an airport would automatically be tripled. Such damages could seriously deplete state and local treasuries, Hart said.

NTSB ASKS FAA TO ISSUE AD ON CESSNA 200 SERIES AIRPLANES – National Transportation Safety Board has asked the Federal Aviation Administration to issue an airworthiness directive requiring compulsory compliance with a July 1969 Cessna Service Letter concerning throttle and mixture controls. The service letter, SE69-16, requires inspection and modification, and in some cases, replacement of the throttle and/or mixture controls with an improved type on various Cessna 205, 206, 207 and 210 Model aircraft. NTSB's recommendation is the result of its investigation into an accident involving a Cessna 210E last November that lost almost all engine power and made an emergency landing on a Chattanooga, Tenn. parking lot. Occupants of the aircraft were not injured.

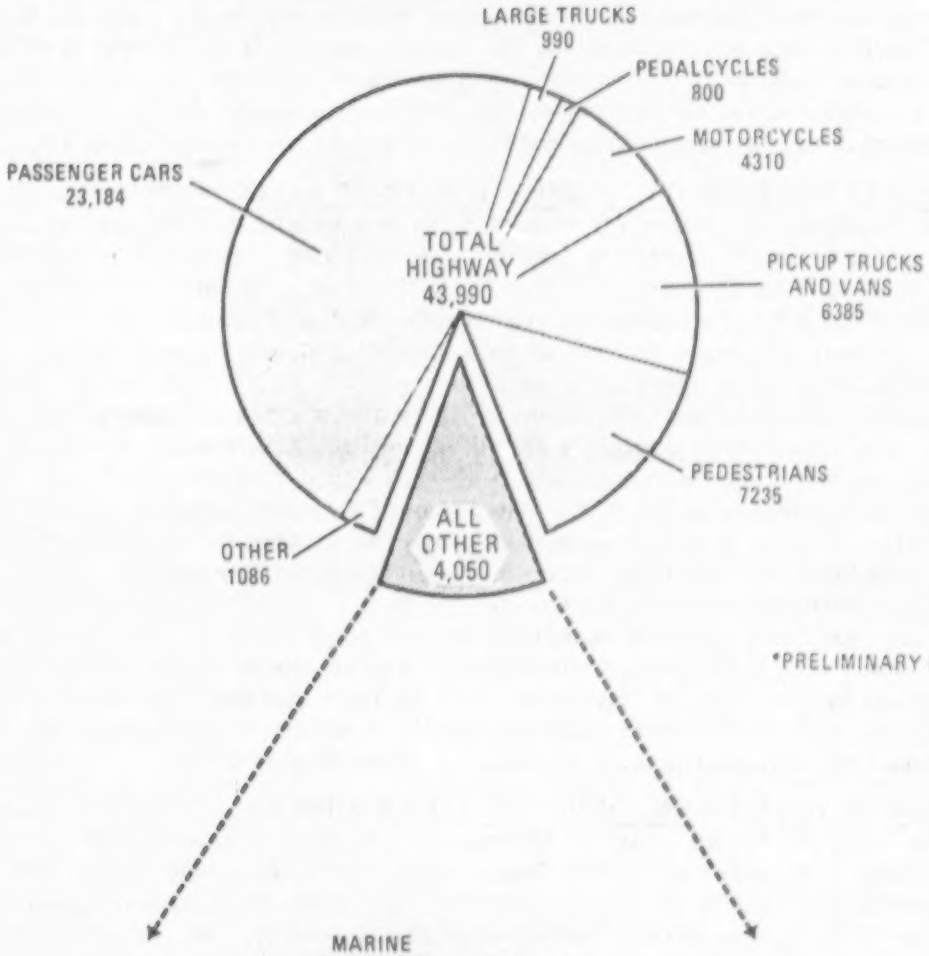
The board's investigation revealed that the throttle linkage had separated in the threaded area of the control shaft where a brass sleeve and bushing are held to the shaft by a drive screw. NTSB research also disclosed two additional accidents in the 1971 to 1981 period involving throttle or mixture control separations on Cessna 210 aircraft with the pre-1969 control. The board concluded that "such failures in pre-1969 Cessna airplanes could be greatly reduced or eliminated by modification or replacement of the pre-1969 style throttle and mixture controls with the improved type currently being supplied as replacements."

BEECH BEGINS DELIVERY OF NEW PRIVATE PILOT COURSE – Beech Aircraft Corp. has begun delivery of its new private pilot course which incorporates text and workbook materials with 15 hours of video programming. The telecourse, entitled "An Invitation to Fly: Basics for the Private Pilot," features a new teaching process wherein students respond to questions that review the key points presented in the program. The new private pilot telecourse is one of a series of video programs which form the Beech Communications Network and will be available through most Beech centers by the end of the year. Price for the course is the same as other private pilot instruction programs, Beech said.

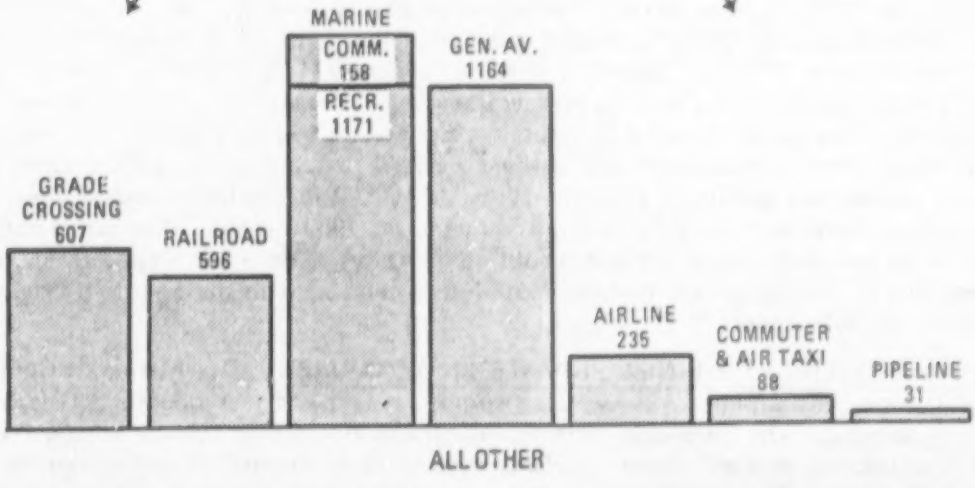
104 A

NATIONAL TRANSPORTATION SAFETY BOARD
Washington, D.C. 20594

TRANSPORTATION FATALITIES*
48,040 IN 1982



*PRELIMINARY ESTIMATES



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NTSB TRANSPORTATION FATALITIES *(Cont.)*

	1981	1982
Highway *		
Passenger Cars	26,645	23,184
Pedestrians	7,837	7,235
Pickup Trucks and Vans	6,137	6,385
Large Trucks	1,206	990
Motorcycles	4,906	4,310
Pedalcycles	936	800
All Other	1,634	1,086
Total	49,301	43,990
Grade Crossings	728	607
Railroad		
Intercity: Passengers	4	9
Employees on Duty	64	74
Pedestrians and Others	492	429
Rail Rapid Transit: Passengers	10	8
Employees on Duty	4	1
Pedestrians and Others	89	75
Total	663	596
Marine		
Commercial	164	158
Recreational	1,208	1,171
Total	1,372	1,329
Aviation		
Airlines	4	235
Commuter and Air Taxi	128	88
General Aviation	1,288	1,164
Total	1,420	1,487
Pipeline		
Gas	13	31
Liquids	5	0
Total	18	31
GRAND TOTALS	53,502	48,040

* All fatality totals include only drivers or other occupants of that type of vehicle or vessel.

AIRPORT AND AIRWAY TRUST FUND

Status as of March 31

		Current Month	Fiscal Year to Date
I.	BALANCE - BEGINNING OF PERIOD	$ 4,507,275,631.93	$ 3,881,478,472.29
II.	RECEIPTS:		
A.	Excise Taxes (Transferred from General Fund):		
	1. Any liquid fuel other than gasoline	1,275,738.00	36,585,738.00
	2. Tires used on aircraft	73,000.00	443,000.00
	3. Tubes used on aircraft	8,000.00	55,000.00
	4. Gasoline:		
	a. Commercial 4 cents tax	100,000.00	600,000.00
	b. Non-commercial 4 cents tax	454,000.00	6,034,000.00
	c. Non-commercial 8 cents tax	1,388,452.00	12,848,452.00
	5. Transportation by air, seats, berths, etc.	159,000,000.00	921,340,000.00
	6. Use of international travel facilities	2,957,646.00	32,457,646.00
	7. Transportation of property and cargo	9,787,419.00	44,737,419.00
	8. Use of civil aircraft	-0-	-0-
	Total Tax Receipts	175,044,255.00	1,055,101,255.00
B.	Less Reimbursement to General Fund-Refund of Taxes and Estimated Tax Credits:		
	1. Commercial aviation gasoline	-0-	-0-
	2. Non-commercial gasoline	-0-	-0-
	3. Civil aircraft	-0-	77,509.00
	4. Any liquid fuel other than gasoline	-0-	612.00
	5. Gasoline - Retailer's tax	-0-	182.00
	6. Airline Ticket Refund	-0-	-0-
	7. Gasoline - Manufacturers Tax	-0-	-0-
	Total Reimbursement for Tax Refunds	-0-	78,303.00
	Net Tax Receipts	175,044,255.00	1,055,022,952.00
C.	Federal Payments	-0-	-0-
D.	Transfers from the General Fund	-0-	-0-
E.	Interest on Investments	1,132,312.03	241,468,056.90
	Net Receipts	176,176,567.03	1,296,491,008.90
III.	EXPENDITURES:		
A.	Federal Aviation Administration:		
	1. Operations	(665.00)	219,996,251.05
	2. Grants-in-Aid for Airports	43,065,069.88	189,153,813.67
	3. Facilities and Equipment	22,763,227.29	127,263,281.33
	4. Research, Engineering and Development	6,495,555.94	30,414,034.29
B.	Aviation Advisory Commission-Salaries & Expense	-0-	-0-
C.	Interest on Refunds of Taxes	-0-	13,090.00
	Total Expenditures	72,323,188.11	566,840,470.34
IV.	BALANCE-END OF PERIOD	4,611,129,010.85	4,611,129,010.85

STATEMENT OF FINANCIAL CONDITION

ASSETS:		
Undisbursed Balances:		
Airport and Airway Trust Fund (20X8103)	$ 415.60	
Operations	5,608.87	
Grants-in-Aid for Airports	1,310,030.89	
Facilities and Equipment	10,677,992.11	
Research, Engineering and Development	8,653,963.38	
Aviation Advisory Commission-Salaries and Expenses	-0-	$ 20,648,010.85
INVESTMENTS:		
U.S. TREASURY CERTIFICATES OF INDEBTEDNESS:		
11% maturing June 30, 1983	256,102,000.00	
11-1/4% maturing June 30, 1983	116,609,000.00	
11-1/2% maturing June 30, 1983	355,244,000.00	
11-3/4% maturing June 30, 1983	102,316,000.00	
12-3/8% maturing June 30, 1983	3,757,710,000.00	
12-7/8% maturing June 30, 1983	2,500,000.00	4,590,481,000.00
Total Assets		4,611,129,010.85
LIABILITIES:		-0-
EQUITY:		
Excess Assets over Liabilities		$ 4,611,129,010.85
Total Liabilities and Equity		4,611,129,010.85

Treasury Department Chart

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